

**DEPARTMENT OF REAL ESTATE**

PO Box 187000

Sacramento, CA 95818-7000

916 227-0770



May 21, 2009

Broker Financials Inc  
Imelda Hurtado, Designated Officer  
5777 West Pico Blvd  
Los Angeles, CA 90019

Re: Advance Fee Agreement

This letter will acknowledge our receipt of your advance fee agreement and accounting format on May 8, 2009.

The Department has no objection to your use of the advance fee agreement and accounting format as submitted.

This agreement replaces any other agreement previously submitted for the Department's review. Additionally, it is not to be used by other than the submitting broker or real estate corporation.

Please note that any changes to the agreement or the accounting format must be submitted to the Department for review before it is used. Any promotional materials that you may subsequently wish to use will require our prior review, as well. This includes press releases and announcements related to your advance fee activities.

This letter does not constitute, nor may you make any representation that the Department of Real Estate has endorsed or approved any aspect of your business activities.

Sincerely,

Sylvia I. Yrigollen  
Senior Deputy Commissioner  
Advance Fee Review Section



## National Loan Modification Services

By: Broker Financials Inc.  
(License: 01856947)  
5777 West Pico Blvd. Los Angeles Ca 90019  
Main: (323) 525-1910  
Fax: (323) 370-6778

RECEIVED  
Dept. of Real Estate  
MAY 08 2009  
MLB ADVERTISING

# Advance Fee Agreement for Loan Modification Services

This ADVANCE FEE AGREEMENT FOR LOAN MODIFICATION SERVICES (this "agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the Real Estate Broker, Broker Financials Inc. (d.b.a) National Loan Modification Services ("NLMS") and the Principal(s) \_\_\_\_\_ (the "Principal") for the mortgage loan modification services as described herein.

### **A. Preliminary Matters.**

#### **1. Important notices to The Principal:**

- a. The amount or rate of fees specified in this agreement for services is not fixed by California law. Fees are set or established by each BROKER individually and are subject to negotiation between the Principal and the BROKER.
- b. The Principal is compensating the BROKER for services the Principal may be able to obtain at no charge from a housing counselor or by contacting the Lender(s) directly.
- c. Brokers are licensed by the California Department of Real Estate. The Department provides public information regarding its licensees, including the current license status and applicable disciplinary history (if any discipline has been imposed or is pending). The Principal can search the Department's licensing information about the BROKER at [www.dre.ca.gov](http://www.dre.ca.gov), by selecting the box captioned "Real Estate License Lookup" and following the directions and entering the information required in the box titled "Public License Information."
- d. California Civil Code Section 2945.1(b)(3) prohibits a BROKER from claiming, demanding, charging, collecting or receiving any compensation or advance fee from a person whose residence is in foreclosure until all of the promised services have been fully performed and completed. THIS AGREEMENT MAY NOT BE USED AND SHOULD NOT BE EXECUTED BY THE PRINCIPAL IF A NOTICE OF DEFAULT HAS BEEN RECORDED AGAINST THE SUBJECT PROPERTY LISTED BELOW.

THE PRINCIPAL CERTIFIES BY INITIALING BELOW THAT THE PRINCIPAL HAS READ THE "IMPORTANT NOTICES TO THE PRINCIPAL" PROVIDED ABOVE, AND THAT A NOTICE OF DEFAULT HAS NOT BEEN RECORDED AGAINST THE SUBJECT PROPERTY.

Initial \_\_\_\_\_

Initial \_\_\_\_\_



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### **2. INFORMATION REGARDING THE LOAN(S) AND RELATED PROPERTY ("SUBJECT PROPERTY") FOR WHICH THE LOAN MODIFICATION SERVICES WILL BE PROVIDED:**

Lender  
Name \_\_\_\_\_

Loan Account  
Number \_\_\_\_\_

Address of Property  
\_\_\_\_\_  
\_\_\_\_\_

Description of Existing Loan Obligation(s) on the Subject  
Property \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2<sup>nd</sup> Lender  
Name \_\_\_\_\_

2<sup>nd</sup> Loan Account  
Number \_\_\_\_\_

### **B. Agreement.**

In consideration of the mutual promises and agreements exchanged, NLMS and the Principal agree as follows:

- 1. Amount and Payment of Advance Fee.** The Principal agrees to pay an advance fee of \$2,500.00 to NLMS on the date this agreement is signed by the Principal(s) or within 3 days of the execution of this agreement by all parties.
- 2. Deposit of Advance Fee and Accounting of Funds.** NLMS will deposit the advance fee into Broker's trust account # 03800-73217, located at 8383 Wilshire Blvd Beverly Hills Ca 90211 ( Bank of America). NLMS will provide a verified accounting of these funds to the Principal at the end of each calendar quarter following the execution of this agreement by the Principal, and at the completion or termination of this agreement (whichever occurs first).
- 3. Scope and Completion of, and Payment for, Loan Modification Services.** NLMS shall perform the following loan modification services (without limitation) for and on behalf of the Principal. It is understood by the parties that the list below is not exhaustive, and that not all of the services listed below may be relevant to the Principal's loan(s) on the subject property.

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### **Phase I:**

A. Interview the Principal, gather and review information about the current loan(s) and terms to include:

Mortgage loan(s) principal balance, monthly payment amount, mortgage statements, loan documents, current interest rate, expected rate and/or payment adjustments, equity, loan(s) payment history and correspondence from the lender(s).

Information about the Principal's income and assets, including:

Paystubs, W2s, 1099s, benefit award letters, retirement and pension benefit statements, annuity statements, child support/alimony, tax returns, profit and loss statements, schedules of real estate owned, stock and mutual fund portfolio statements, bank statements, proof of any other income.

Information about the Subject Property, including:

Property profile, comparable sales, active listings, current property listings and other applicable documents.

Information about the Principal's ability to repay the loan(s), including:

Credit history, hardship circumstances, financial profile (assessment of income, assets, expenses and housing debt to income ratio).

B. Assist the Principal in preparing a hardship summary/letter.

C. Prepare and submit loan modification request and package of supporting documents to lender(s).

D. Completion of Phase I Services. NLMS will complete these Phase I services by \_\_\_\_\_, 2009, and in no case later than 30 calendar days from the date this agreement is made, as first above written.

E. Payment for Phase I Services. The NLMS shall be entitled to 25% percent of the advance fee (which entitlement percentage for Phase I services equals \$625.00) for the performance of the applicable and relevant services described in Phase I (and others as may be necessary and/or appropriate).

### **Phase II:**

Phase II services are focused on NLMS's efforts to vigorously and successfully seek through the Lender(s) an offer to the Principals (which offer shall be assessed by the NLMS and clearly explained to the Principals) of proactive loan modification solutions which will provide the Principals with the opportunity to remain in the Subject Property while making affordable loan payments.

A. Contact the Lender(s) to discuss/negotiate the loan modification request(s) and package of supporting documents.

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- B. Communicate regularly with the Lender(s) to attempt to negotiate new, and more favorable, loan terms on behalf of principle.
- C. Assist the Principal in understanding and deciding about the modification terms offered by the Lender(s).
- D. Successfully negotiate and/or accomplish a loan modification for the Principal. "Successful loan modification performance" by NLMS shall have occurred if the Principal accepts one or more of the loan modifications set forth below:
- Change adjustable interest rate to a fixed interest rate
  - Reduce fixed interest rate to a lower fixed interest rate
  - Reduce balance of the principal amount of the loan
  - Reduce adjustable interest rate / reduce CAPS of adjustable interest rate
  - Stop upward adjustment of adjustable interest rate
  - Arrange for the delinquent payment amounts to be added to the end of loan
  - Arrange for the delinquent payment amounts to be added to a longer loan period
  - Arrange for the delinquent payment amounts to be accepted in an alternative payment plan
  - Eliminate or reduce the delinquent payment amounts
  - Arrange for the lender to accept a discounted pay-off or forbearance
- E. **Completion of Phase II Services.** NLMS will complete these services by \_\_\_\_\_, 2009, and in no event later than 90-120 calendar days from the date this agreement is made, as first above written.
- F. **Payment for Phase II Services.** NLMS shall be entitled to 75% percent of the advance fee (the remainder of the advance fee not earned and paid for Phase I services (which entitlement percentage for Phase II services equals \$1,875.00) only for the "successful loan modification performance" of these Phase II services as described in Phase II (section d above).
- G. **Refund of Advance Fee Until Earned.** The advance fee paid by the Principal is fully refundable until earned by NLMS. If any of the agreed upon services are not completed by NLMS by the agreed upon completion date(s), the unearned portion of the advance fee will be refunded to the Principal within 5 business days. If this agreement is terminated by the Principal before the agreed upon completion date and before the agreed upon services are completed, the unearned advance fee will be refunded to the Principal within 5 business days.
- H. **Responsibilities and Obligations of the Principal.** The Principal agrees to furnish NLMS with truthful and accurate information and any documents that will be required by NLMS and the Lender(s) to assess the Principal's financial status, including (without limitation) the following:

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Mortgage Statements-past three months

Paystubs - past two pay periods

W2 forms, 1099 forms, and/or Tax Returns-past 2 years

Profit and Loss Statements-past 2 years (if self employed)

Bank Statements-past 2 months

Verification of any other income, Benefit Award Letters, Retirement Statements, Pension  
Benefit Statements, Annuity Statements, Child Support/Alimony

Schedules of Real Estate owned, Stock and Mutual Fund Portfolio Statements

Authorization for the NLMS to obtain Principal information from Lender

The Principal also agrees to provide additional information or documentation within 5 days of NLMS's request. The Principal further agrees to immediately notify NLMS of any change in the Principal's address.

**I. Reasonable Efforts/No Guarantees.** NLMS will make reasonable efforts to conclude a "successful loan modification performance" as described in Phase II above. However, the Principal acknowledges that NLMS cannot guarantee that the Principal's existing lender(s) will agree to a modification of the loan (s) and that Principal's existing lender (s) is not obligated to modify the terms of the loan (s) in any way and may not agree to any changes in the loan (s).

**J. Governing Law.** This agreement shall be governed by and construed under the laws of the State of California.

**K. Amendments.** Except as set forth herein, this agreement may not be amended or modified orally and no provision of this Agreement may be waived or amended except in a writing signed by the Principal and the National Loan Modification Services.

**L. Severability.** If any provision in this agreement is determined to be invalid, illegal or otherwise unenforceable, the determination will not affect any other provision of this agreement. The invalid provision will be severed from this agreement and all remaining provisions will continue to be in full force and effect.

**M. Termination of Agreement.** Either the Principal or NLMS may terminate this agreement at any time for any reason upon written notice to the other party. At the time of termination, all earned but unpaid fees for completed services (as set forth and described in provision number 3 of this agreement) become due and payable.

**N. Dispute Resolution.** The parties to this agreement will endeavor to resolve any disputes or disagreements between them with respect to or concerning this agreement in a fair and amicable manner. However, if the parties are unable to resolve any such disputes between and/or among themselves (whether in law or equity), the parties expressly agree to binding, neutral arbitration in accordance with the California Code of Civil Procedure with any

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Initial \_\_\_\_\_



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recognized California arbitration service. Said binding arbitration shall be the exclusive dispute resolution mechanism for seeking legal redress under this agreement. The arbitration hearing shall be conducted pursuant to the California rules of evidence and shall occur in the county where the Subject Property is located. The parties agree to share equally the costs of any such arbitration. Reasonable attorney's fees and costs shall be awarded to the prevailing party.

**O. Time of Essence.** Time is of the essence with respect to every provision of this agreement that specifies a time for performance.

**P. Entire Agreement.** Except as otherwise provided by section 2970 (b)(4) of Title 10 of the Code of Regulations, Chapter 6 (Real Estate Commissioner's Regulations), this agreement constitutes the entire agreement and a complete and exclusive expression of the parties' agreement respecting the loan modification services contemplated. Except as conditioned above, this agreement may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement.

**Q. Assignment.** No assignment by the Principal or NLMS of this agreement or of any rights or obligations hereunder, shall be valid without the prior written consent of all of the signatories to this agreement.

**R. Acknowledgements and Representations.** The parties signing below acknowledge they have read and understood this agreement and have each received a copy. The Principal(s) warrants that he/she/they have the authority to enter into this agreement with regard to the Subject Property and loan(s) herein described.

Name(s) of Principal(s)	Signature	Date
Name(s) of Principal(s)	Signature	Date
Name(s) of Principal(s)	Signature	Date
Name(s) of Principal(s)	Signature	Date
Name(s) of Principal(s)	Signature	Date
NLMS/Designated Officer Name	Signature	Date

Initial \_\_\_\_\_

Initial \_\_\_\_\_



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### Borrower's Authorization

Date: \_\_\_\_\_

Lender: \_\_\_\_\_ Re: Loan Number: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Social Security # \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Social Security # \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

Subject Property: \_\_\_\_\_  
\_\_\_\_\_

Dear Sir or Madam;

I/We have authorized:

National Loan Modification Services  
By: Broker Financials Inc.  
5777 West Pico Blvd  
Los Angeles Ca 90019

PHONE: 323-525-1910  
FAX: 323-370-6778

To assist me/us with my/our loan modification.

Borrower(s) name(s) and address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

\_\_\_\_\_/\_\_\_\_\_  
Borrowers' Signature Date

\_\_\_\_\_/\_\_\_\_\_  
Borrowers' Signature Date

Initial \_\_\_\_\_

Initial \_\_\_\_\_



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Borrower's email address: \_\_\_\_\_

## Part A- Borrower(s) Information

Borrower Name:		Social Security #:		Co-Borrower Name:		Social Security #:	
Borrower Birth Date (optional):		E-Mail Address:		Co-Borrower Birth Date (optional):		E-Mail Address:	
Borrower Phone #: (       )				Co-Borrower Phone #: (       )			
Borrower Home Address:				Co-Borrower Home Address:			
City:		State:	ZIP:	City:		State:	ZIP:

## Part B- Borrower(s) Employment Information

Employer Name:		Position Held:		Employer Name:		Position Held:	
Employer Address:		Employer Phone#:		Employer Address:		Employer Phone#:	
Employer City:		State:	ZIP:	Employer City:		State:	ZIP:
Employment Date:		Annual Salary:		Employment Date:		Annual Salary:	

## Part C- Dependents

Name	Relationship	D.O.B.	Daycare (Y/N)?

## Part D- Rental/Leasing Information (if NOT owner occupied)

Address:		City:		State:		ZIP:	
Tenant Name:		Monthly Rent:		Month Last Paid:		Date Lease Expires:	

Initial \_\_\_\_\_

Initial \_\_\_\_\_



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## Monthly EXPENSES

Description of Expense	Monthly Payment	Balance Due	Months
Mortgage 1	\$	\$	
Mortgage 2 _____	\$ _____	\$ _____	_____
Property Tax	\$	\$	
Homeowners Insurance	\$	\$	
Automobile Loan 1	\$	\$	
Automobile Loan 2	\$	\$	
Automobile Insurance	\$	\$	
Automobile Maintenance	\$	\$	
Gasoline	\$	\$	
Other Loans	\$	\$	
Credit Cards (Visa, MC, Sears)	\$	\$	
Utilities (Water, Gas, Electric)	\$	\$	
Telephone	\$	\$	
Medical/Dental	\$	\$	
Groceries/Food	\$	\$	
Entertainment/Vacation	\$	\$	
Child Care	\$	\$	
Other	\$	\$	
Other	\$	\$	
<b>Total Expenses</b>	\$	\$	

Discretionary Dollars \$ \_\_\_\_\_

Sign \_\_\_\_\_ Date \_\_\_\_\_

Sign \_\_\_\_\_ Date \_\_\_\_\_

Initial \_\_\_\_\_

Initial \_\_\_\_\_



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## Assets

Description	Amount/Value	Amount Owed	Net Value
Checking Account	\$		\$
Savings Account	\$		\$
401K/IRA/Keogh Account	\$		\$
Other Cash	\$		\$
Primary Residence	\$	\$	\$
Second Lien Amount	\$	\$	\$
Other Property	\$	\$	\$
Automobile 1	\$	\$	\$
Automobile 2	\$	\$	\$

## Monthly Income

Description	Borrower	Co – Borrower	Total
Gross Income	\$	\$	\$
Overtime	\$	\$	\$
Commissions/Bonuses	\$	\$	\$
Rental Income	\$	\$	\$
Miscellaneous Income	\$	\$	\$
Less: Federal Income Tax	(\$ )	(\$ )	(\$ )
State Income Tax	(\$ )	(\$ )	(\$ )
Other	(\$ )	(\$ )	(\$ )
<b>Monthly Net Income</b>	\$	\$	\$

*Sign* \_\_\_\_\_ *Date* \_\_\_\_\_

*Sign* \_\_\_\_\_ *Date* \_\_\_\_\_

Initial \_\_\_\_\_

Initial \_\_\_\_\_



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Main: (323) 525-1910  
Fax: (323) 857-0383

## VERIFIED ACCOUNTING FOR ADVANCE FEES

Broker (Corporation) Name: Broker Financials, Inc. DBA National Loan Modification Services

Broker Address: 5777 West Pico Blvd, Los Angeles Ca, 90019

Broker Trust Account #: 03800-73217

Depository: Bank Of America, 8383 Wilshire Blvd, Beverly Hills, Ca, 90211

Principal Name:

Principal Address:

Lender Name:

Loan Account Number:

2<sup>nd</sup> Lender Name:

2<sup>nd</sup> Loan Account Number:

### Advance Fee Accounting

Advance Fee Amount Received	From (Principal)	Date Received	Date Deposited in trust account	Balance

Services Performed by broker	Date Performed	Amount of fee allocated	Date Disbursed	Balance
All phase I services including:  Loan modification package submitted to lender at (address):  Loan modification package submitted to 2 <sup>nd</sup> lender at (address):				
All phase II services including successful loan modification				

I hereby represent and attest that this is a true and accurate accounting.

Signed

Date

Broker Name

License ID Number